

Article - Insurance

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§16–118.

- (a) (1) In this section the following words have the meanings indicated.
- (2) “Credit life insurance” has the meaning stated in § 13–101 of this article.
- (3) “Death master file” means:
 - (i) the Social Security Administration’s Death Master File; or
 - (ii) any other database or service that is at least as comprehensive as the Social Security Administration’s Death Master File for determining that an individual reportedly has died.
- (4) “Death master file match” means a match, resulting from a search of a death master file, of a Social Security number or a name and date of birth of an individual on the death master file with the Social Security number or the name and date of birth of an insured, annuitant, or retained asset account holder.
- (5) “Pre–need insurance contract” means a life insurance policy or certificate, annuity contract, or other insurance contract that, by assignment or otherwise, has as a purpose the funding of an agreement relating to the purchase or provision of specific funeral or cemetery merchandise or services to be provided at the time of death of an individual.
- (6) “Retained asset account” has the meaning stated in § 16–117(a) of this subtitle.
- (b) This section does not apply to:
 - (1) an annuity contract that:
 - (i) is used to fund an employment–based retirement plan or program; and
 - (ii) does not require the insurer under the annuity contract to pay death benefits to the beneficiaries of specific plan or program participants;

(2) a policy or certificate of life insurance that provides a death benefit under:

(i) an employee benefit plan subject to the federal Employee Retirement Income Security Act of 1974; or

(ii) any federal employee benefit program;

(3) a pre-need insurance contract;

(4) a policy or certificate of credit life insurance; or

(5) a policy or certificate of accidental death and dismemberment insurance.

(c) (1) An insurer that issues, delivers, or renews a policy of life insurance or an annuity contract in the State shall perform a comparison of the insurer's in-force life insurance policies, annuity contracts, and retained asset accounts against the latest version of a death master file to identify any death benefit payments that may be due under the policies, contracts, or retained asset accounts as a result of the death of an insured, annuitant, or retained asset account holder.

(2) An insurer shall perform the comparison required under paragraph (1) of this subsection:

(i) at regular intervals, on at least a semiannual basis; and

(ii) in good faith, using criteria reasonably designed to identify individuals whose death would require the payment of benefits by the insurer under a life insurance policy, annuity contract, or retained asset account.

(3) For a group life insurance policy, an insurer is not required to perform the comparison required under paragraph (1) of this subsection unless the insurer provides full record-keeping services to the group life insurance policy holder.

(d) (1) If a comparison performed by an insurer under subsection (c) of this section results in a death master file match with an insured, annuitant, or retained asset account holder, the insurer, within 90 days after the comparison was performed, shall:

(i) conduct a good faith effort to confirm the death of the insured, annuitant, or retained asset account holder using other available records and information;

(ii) determine whether benefits are due under the applicable life insurance policy, annuity contract, or retained asset account; and

(iii) if benefits are due under the policy, contract, or retained asset account:

1. use good faith efforts to locate the beneficiary; and

2. provide to the beneficiary the appropriate claims forms and instructions necessary to make a claim.

(2) An insurer shall document the good faith efforts made to:

(i) confirm the death of an insured, annuitant, or retained asset account holder under paragraph (1)(i) of this subsection; and

(ii) locate a beneficiary under paragraph (1)(iii)1 of this subsection.

(3) To the extent permitted by law, an insurer may disclose the minimum necessary personal information about an insured, an annuitant, a retained asset account holder, or a beneficiary to a person that the insurer reasonably believes may be able to assist the insurer in locating a beneficiary as required under paragraph (1)(iii)1 of this subsection.

(e) An insurer may not charge an insured, an annuitant, a retained asset account holder, a beneficiary, or any other person for any fees or costs incurred by the insurer in connection with complying with subsections (c) and (d) of this section.

(f) The Commissioner may adopt regulations to implement this section.

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